

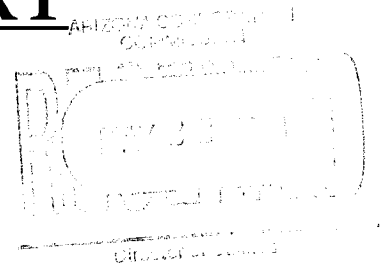
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02316A
Crystal Water Company
P.O. Box 2903
Sierra Vista AZ 856360000

ANNUAL REPORT



*Entered
5/22/03
Cym.*

FOR YEAR ENDING

12	31	2002
----	----	------

FOR COMMISSION USE

ANN 04	02
--------	----

OK

COMPANY INFORMATION

Company Name (Business Name) <u>Crystal Water Co.</u>		
Mailing Address <u>P.O Box 2903</u>		
<u>Sierra Vista</u> (City)	<u>Arizona</u> (State)	<u>85636-2903</u> (Zip)
<u>(520) 378-3349</u> Telephone No. (Include Area Code)	<u>(520) 378-6549</u> Fax No. (Include Area Code)	<u>(520) 940-3513</u> Pager/Cell No. (Include Area Code)
Email Address <u>wdb5@c2i2.com</u>		
Local Office Mailing Address <u>PO Box 2903</u>		
<u>Sierra Vista</u> (City)	<u>Arizona</u> (State)	<u>85636-2903</u> (Zip)
<u>(520) 378-6549</u> Local Office Telephone No. (Include Area Code)	<u>(520) 378-6549</u> Fax No. (Include Area Code)	<u>(520) 940-3513</u> Pager/Cell No. (Include Area Code)
Email Address <u>wdb5@c2i2.com</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Johnny A. McLain</u>		<u>Owner</u>
(Name)		(Title)
<u>7110 Jaxel Rd.</u> (Street)	<u>Hereford</u> (City)	<u>Az 85615</u> (State) (Zip)
<u>(520) 378-3349</u> Telephone No. (Include Area Code)	<u>(520) 378-6549</u> Fax No. (Include Area Code)	<u>(520) 940-3513</u> Pager/Cell No. (Include Area Code)
Email Address <u>wdb5@c2i2.com</u>		
On Site Manager: <u>Johnny A. McLain</u>		
(Name)		
<u>Same</u> (Street)	<u></u> (City)	<u></u> (State) (Zip)
<u>Same</u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u>Same</u>		

Statutory Agent: Johnny A. McLain
 (Name)
7110 Jaxel Rd. Hereford Az 85615
 (Street) (City) (State) (Zip)
(520) 378-3349 (520) 378-6549 (520) 940-3513
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
Attorney: N/A
 (Name)
 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☒ **Sole Proprietor (S)** ☐ **C Corporation (C) (Other than Association/Co-op)**
☐ **Partnership (P)** ☐ **Subchapter S Corporation (Z)**
☐ **Bankruptcy (B)** ☐ **Association/Co op (A)**
☐ **Receivership (R)** ☐ **Limited Liability Company**
☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Crystal Water Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	5000	e	e
302	Franchises	4,500	e	e
303	Land and Land Rights	3,500	2 525	975
304	Structures and Improvements	5500	3 153	2347
307	Wells and Springs <i>New Pump</i>	6000	5100	900
311	Pumping Equipment <i>New Pump</i>	20500	8 348	12152
320	Water Treatment Equipment	e	e	e
330	Distribution Reservoirs and Standpipes	9500	5 260	4240
331	Transmission and Distribution Mains <i>(5000)</i>	58805	34040	24765
333	Services <i>150 X 3 = 450</i>	7325	4400	2925
334	Meters and Meter Installations <i>150 X 3 = 450</i>	8220	3429	4791
335	Hydrants	e	e	e
336	Backflow Prevention Devices	e	e	e
339	Other Plant and Misc. Equipment	3970	2247	1703
340	Office Furniture and Equipment	600	476	124
341	Transportation Equipment	10200	4695	5505
343	Tools, Shop and Garage Equipment	1350	1044	306
344	Laboratory Equipment	e	e	e
345	Power Operated Equipment	1000	540	460
346	Communication Equipment	2616	884	1732
347	Miscellaneous Equipment	150	112	38
348	Other Tangible Plant	e	e	e
	TOTALS	148736	76273	62863

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Crystal Water Co.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	5000	5%	0
302	Franchises	4500	0	0
303	Land and Land Rights	3500		175
304	Structures and Improvements	5500		275
307	Wells and Springs	6000		300
311	Pumping Equipment	20500		1025
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	9500		475
331	Transmission and Distribution Mains	58805		2940
333	Services	7325		361
334	Meters and Meter Installations	8220		411
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	3970		198
340	Office Furniture and Equipment	600		30
341	Transportation Equipment	10200		510
343	Tools, Shop and Garage Equipment	1350		68
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	1000		50
346	Communication Equipment	2616		130
347	Miscellaneous Equipment	150		8
348	Other Tangible Plant	0	0	0
	TOTALS	140236		6956

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME	Crystal Water Co.
---------------------	-------------------

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 75	\$ 50
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	390	350
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 465	\$ 400
	FIXED ASSETS		
101	Utility Plant in Service	\$ 140236	\$ 148736
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	69485	76273
121	Non-Utility Property	0	
122	Accumulated Depreciation – Non Utility	0	
	TOTAL FIXED ASSETS	\$ 70751	\$ 72463
	TOTAL ASSETS	\$ 71216	\$ 72863

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME	Crystal Water Co.
---------------------	-------------------

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 2175	\$ 10707
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	3310	2207
236	Accrued Taxes	est 32700 (not paid)	41700
237	Accrued Interest	0	5332
241	Miscellaneous Current and Accrued Liabilities	0	18761
	TOTAL CURRENT LIABILITIES	\$ 38185	\$ 79597
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 38185	\$ 79597
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ n/a	\$ 0
211	Paid in Capital in Excess of Par Value	n/a	0
215	Retained Earnings	n/a	0
218	Proprietary Capital (Sole Props and Partnerships)	(33031)	(6734)
	TOTAL CAPITAL	\$ (33031)	\$ (6734)
	TOTAL LIABILITIES AND CAPITAL	\$ 71216	\$ 72863

COMPANY NAME

Crystal Water Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 15965	\$ 17298
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	0	0
	TOTAL REVENUES	\$ 15965	\$ 17298
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 570	\$ 495
610	Purchased Water	0	0
615	Purchased Power	600	600
618	Chemicals	437	900
620	Repairs and Maintenance	3100	2750
621	Office Supplies and Expense	(see 630)	(see 630)
630	Outside Services	8500	8500
635	Water Testing	985	985
641	Rents	(see 630)	(see 630)
650	Transportation Expenses	(see 630)	(see 630)
657	Insurance – General Liability	500	500
659	Insurance - Health and Life	500	500
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense	6589	6956
408	Taxes Other Than Income	0	0
408.11	Property Taxes	est 5000 (not paid)	est 5000
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 26781	\$ 26586
	OPERATING INCOME/(LOSS)	\$ (10816)	\$ (9288)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	0
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (10816)	\$ (9288)

COMPANY NAME

Crystal Water Co.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ N	\$ A	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 2207

Meter Deposits Refunded During the Test Year

\$ 56.3

COMPANY NAME

Crystal Water Co.

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801770	25	300		8	3"	
55-807774	5	30		6	2"	

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Mustang 55-801770	300	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
N/A		7000	1
		3500	1

COMPANY NAME

Crystal Water Co.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	12760
3		
4	PVC	5995
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	50
3/4	
1	3
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

NA

OTHER:

TWO WELLS, ONE OFF LINE SINCE 1983
AND FENCING

COMPANY NAME: Crystal Water Co.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	50	267 350	268350
FEBRUARY	51	302 640	302640
MARCH	51	310 020	310020
APRIL	50	227 620	227620
MAY	52	696 730	697990
JUNE	52	694 490	694490
JULY	51	695 980	695980
AUGUST	52	557 820	557820
SEPTEMBER	51	411 510	411510
OCTOBER	51	537 740	538740
NOVEMBER	51	399 210	404060
DECEMBER	50	280 230	283 230
TOTAL		N/A	

5381340 *am*

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. .055 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Crystal Water Co. YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. I HAVE NOT PAID

COMPANY NAME

Crystal Water Co.

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported

(9299)

Estimated or Actual Federal Tax Liability

0

State Taxable Income Reported

(9299)

Estimated or Actual State Tax Liability

0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

0

Amount of Gross-Up Tax Collected

0

Total Grossed-Up Contributions/Advances

0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

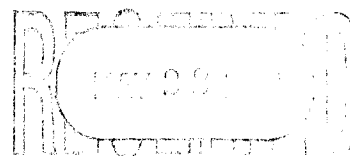
DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Cochise
NAME (OWNER OR OFFICIAL) TITLE	Johnny A. McLain
COMPANY NAME	Crystal Water Co.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$172,980

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 986

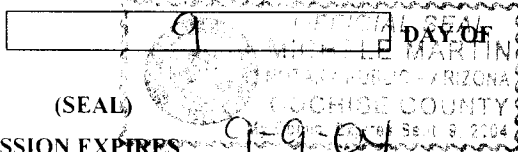
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

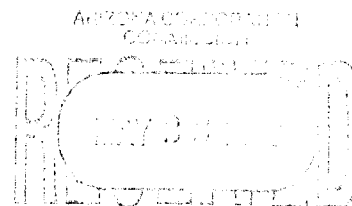


COUNTY NAME	Cochise	
MONTH	May	2003
SIGNATURE OF NOTARY PUBLIC Michelle Martin		

SIGNATURE OF OWNER OR OFFICIAL
TELEPHONE NUMBER 520 378 8549

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Cochise</u>	
NAME (OWNER OR OFFICIAL) <u>Johnny A. McLain</u>	TITLE <u>Owner</u>
COMPANY NAME <u>Crystal Water Co.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>17798</u>
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 886
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Johnny A. McLain
SIGNATURE OF OWNER OR OFFICIAL

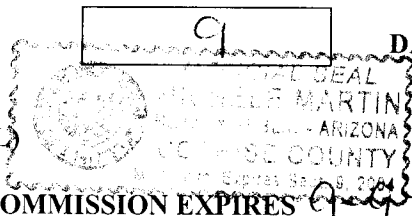
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 **DAY OF**

(SEAL)

MY COMMISSION EXPIRES 04-04-04



NOTARY PUBLIC NAME <u>Michelle Martin</u>	
COUNTY NAME <u>Cochise</u>	
MONTH <u>May</u>	20 <u>03</u>

X Michelle Martin
SIGNATURE OF NOTARY PUBLIC